

Funding IGA – Expanded Issues/Goals/Actions

Issue:

1. Huge unmet needs (improve and maintain), disparity between resources and the needs, and a public that doesn't believe there is a problem.
2. Current funding formula based on the first half of the 20th century is not adequate for our 21st century transportation needs.
3. Seem to be stuck as a state in terms of viewing our options for funding -- strictly along the line of gas tax.
4. People don't realize how little they contribute to maintaining and improving their transportation system. (15,000 miles annually driven at 20 miles per gallon = 750 gallons of gas, which is less than \$150 annually. \$150 buys 3 square yards in pavement)
5. We have an inherent conflict, fostered by the current transportation funding structure, between stakeholders (roads vs. transit; state vs. county; city vs. city, etc.).
6. Lack of political will to increase funding.
7. An unwillingness to demand more accountability on the part of transportation providers. People won't pay more for the same system they have now.
8. Lack of understanding that transportation stakeholders and providers are all going to have to cooperate, exert themselves, and make some sacrifices to solve the transportation problems.
9. When new business comes to town, everyone gets a part of that except transportation. Current funding, there is no land use fee. Everyone else gets benefit of a new business except the transportation system.
10. Michigan's lack of commitment to multimodal options results in our missing out on available federal funds.
11. The true economic and societal value of Michigan's transportation system has not been enumerated to or understood by the public.
12. Current funding system is too short-term focused to meet long-term needs.
13. Gas tax revenue will be obsolete in the future due to alternate fuel sources and more fuel efficient vehicles.
14. There is a lack of options such as user fees which will take into account the development of new fuel technologies.
15. Lack of regional consideration/input when it comes to transportation funding.
16. Transportation funding in Michigan must remain constitutionally protected.
17. Locally funded road options are limited under current legislation.
18. No mechanism in place to recognize and fund the baseline needs.
19. Need for multiple-year funding predictability.
20. State and federal funding structure is too complex.
21. Find a way to stabilize funding to avoid impacts of inflation.
22. Ensure a funding program that is flexible to adapt to new fuel technology (alternative fuels).
23. There are pots of money totaling over \$100,000,000 for transit and non-motorized projects going to other states due to failure to ask and raising local match dollars.
24. No system in place to provide a long-term solution for adequate funding to address increasing needs to sustain and improve all modes.
25. Lack of a state-wide evaluation process for the appropriate distribution of funds for various transportation modes.
26. Act 51 is in need of total overhaul (sources, jurisdictional responsibilities, distribution formula).
27. Barriers exist that prevent seamless public transportation.

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28. Lack of public support for transportation issues and funding due to a lack of understanding of the complex system.
29. CTF revenues are fixed while local costs go up and local share can only increase at expense of other's share.
30. Distribution formulas need to be reexamined and the distribution of funds updated.
31. Diversion of MTF revenue to non-transportation uses.
32. Michigan has transportation governance and financing systems that are antiquated and complex.
33. Lack of fair and equitable funding mechanism.
34. Michigan's image has become tarnished while competing states and municipalities have reaped the rewards of our donor status impeding new starts, road maintenance, safety, etc. Michigan funds are inequitably skewed toward new and wider highways, while roads crumble, transit is lacking or limping along, and biking and walking options are scarce and dangerous.

Goals:

1. Contain costs and increase revenue with combination of solutions.
2. Create bipartisan and citizen support for increased transportation funding. Gain broad public support for transportation funding changes to bolster support for legislative action.
3. Evaluate governmental roles and responsibilities to better reflect and respond to transportation funding needs.
4. Have owners and providers of the transportation system work together to identify common goals and reduce conflict between and among groups.
5. Educated taxpayers and legislators who are well informed on transportation needs and funding. Education of the public of transportation needs and funding, so they may accordingly represent their needs to their congressman.
6. Give priority for funding to transportation projects that accommodate increased safety of multiple users and modes.
7. Broaden the base of transportation funding that is indexed to the future to more equitably reflect the societal benefit. Seek alternate methods of funding to include new fuel technologies.
8. Make the public aware of the short-term funding problems and the negative impacts.
9. Changes in legislation allow more flexibility for local funding options.
10. Create regional authorities to assess needs and set transportation funding priorities.
11. Provide funding to assure basic county and regional services are available through the state.
12. Identify alternate funding options.
13. Establish a current baseline of needs for all transportation systems and services in Michigan.
14. Michigan must become a magnet state that attracts instead of repels.
15. To have an equitable collection and distribution of funds.
16. Create a transportation funding program that dedicates funds specifically to transportation, including new technologies and that you will have full spending allocation.
17. Transportation improvement and maintenance should be spread equitably among those who benefit from those services.
18. The State of Michigan will mirror the duration of the federal and local multiple year revenue authorization.

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19. Reduce donor state status by fully accessing all grant and project match opportunities.
20. Sufficient funding to meet the needs all transportation modes.
21. Evaluate potential reassignment of jurisdictional responsibility for roads based on function and distribute funds so that dollars follow roads.
22. Meet huge unmet needs by identifying future alternative or new funding sources to augment and enhance existing transportation revenue sources.
23. A dedicated source of funding to meet the growing demands of users of modes and automatically keeps pace with inflation.
24. Develop condition and/or service goals by mode and seek to adequately fund those strategies.
25. Implement a state-wide evaluation process for the appropriate distribution of funds for different transportation modes.
26. Explore options for new luxury taxes for transit, including necessary infrastructure.
27. Restructure the transportation funding system.
28. Consistent funding regardless of jurisdictional boundaries.
29. All users of the transportation system contribute proportionately to their use of the transportation system, depending on income. Identify a system that would automatically accumulate user fees based on actual use.
30. To realize diversified and inflation protected funding sources for the transportation system.

Actions:

1. Establish a comprehensive group dedicated to grass roots support for increased transportation funding and to identify champions.
2. Find meaningful ways to communicate and quantify the cost and benefit of various transportation options.
3. Increase diesel and gas taxes to more appropriate levels and identify additional sources of funding, including: regional funding, impact fees, tolls, payroll fees, local option taxes, and other user fees.
4. Encourage and advocate for Michigan's Congressional delegation to support a growing six year bill that provides a 95% rate of return for Michigan.
5. Regularly evaluate transportation improvement priorities in light of current funding and effectively communicate to the public.
6. Educating taxpayers and legislators on transportation funding opportunities and needs.
7. State should establish a multi-modal criteria to evaluate the amount of coordination between transportation services in each region, and tie it into the funding levels.
8. Develop legislative agenda to realign responsibilities and funding.
9. Develop legislation to establish regional authorities.
10. Ensure that transit receives the full 10 percent of funding allowed by the constitution.
11. Establish a collaborative effort with stakeholder groups to develop a technological mechanism for tracking and charging usage.
12. Identify new sources of transportation funds and/or non-traditional funding mechanisms.
13. Identify ways to index funding sources.
14. Look for best practices for restructuring transportation funding and allocation.
15. Fund and implement innovative user fee system.
16. Complete a total transportation needs study within two years.
17. Eliminate legal barriers to local and regional funding options.

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18. Fund the agreed to baseline system and services and allow indexing to maintain that level federal and state funding.
19. Develop a statewide evaluation process for the appropriate distribution of funds for the different transportation modes.
20. Require an asset management plan that is associated with a funding source.
21. Advocate for federal block grants funding system.
22. Education of the public and elected officials to understand the cost and complexities of constructing and maintaining the transportation system.
23. Educate and communicate to the public the value of changing transportation funding mechanisms and how that system will be accountable.
24. Convince the legislature to pass legislation to authorize transportation expenditures on a multi-year basis similar to federal authorization system.
25. Explore the possibility of restructuring transportation tax structure so the level of government responsible for expending the funds is responsible for raising the revenue.
26. Base fund levels on total system that reflects 21st century needs.
27. Rewrite and update Act 51 to change funding methodology and distribution.
28. Review and propose legislation for funding a comprehensive transportation system.
29. Establish an evaluation of assets using consistent measures and consistent criteria. Distribute funding accordingly.
30. Promote cooperation among all agencies for use of transportation dollars, for example in entitlement programs.
31. Simplify the governing structure and bureaucracy of our transportation infrastructure.
32. Michigan should amend its state constitution and reform MPOs to: triple public transportation funding, mandate 90% of state and local roads and double state funding of biking and walking options. To do so, direct 10 percent of MTF to CTF, 25% of auto-related sales tax to CTF and end constitutional mandates of 90% gas tax to roads and enable local sales tax.
33. Legislation to increase gas tax 10 cents immediately and index the full gas tax to keep pace with inflation providing full funding for all modes; and establish committee to develop a method for the future to offset the reduction in fuel purchases and alternative fuels.
34. Promote the election of public officials that will represent the interest of the public, not their own political careers.